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SUBJECT: PROVINCIAL PARTICIPATION IN THE U.S.-IRAQ
BUSINESS AND INVESTMENT CONFERENCE AND THE
INTERGOVERNMENTAL DIALOGUE EVENTS

11. (U) SUMMARY: Participation of Iraqi Provincial officials in the U.S.-Iraq Business and Investment Conference produced excellent results. Iraqi Governors and Provincial Investment Commission Chairmen were well-prepared and active throughout the conference and aggressively courted potential investors. Seventeen remained in Washington for the follow-on Intergovernmental Dialogue, a series of events planned specifically for provincial officials, where they heard how U.S. state and municipal officials attract business, spur economic development and work as a group to lobby the federal government. The Iraqis seemed surprised at the warmth of the welcome they received from Americans of all stripes, and they left with a sense that U.S.-Iraqi partnership was possible on a cultural and community level, not just in the realm of hard-power. A series of follow-up actions to capitalize on the connections established at the conference are planned, on both the U.S. and the Iraqi side. END SUMMARY.

Provincial Officials Go to Washington

12. (U) The delegation of over 100 Government of Iraq (GOI) officials to the U.S.-Iraq Business and Investment Conference included 35 Provincial Governors and Provincial Investment Commission (PIC) Chairmen. The conference generated tremendous energy from the hundreds of businesses and investors exchanging information and striking deals with Iraqi businesspersons and officials. For most of the provincial officials (unlike many of their national-level counterparts), this was their first visit to the U.S. and their first opportunity to represent their provinces. They came prepared-the Basrah delegation presented sophisticated and effective marketing and informational materials, and Karbala, Anbar, and Baghdad delegations aggressively (and successfully) courted investors and other non-governmental partnerships. PRT representatives advised their Iraqi counterparts and assisted in the matchmaking, for example, arranging for the Anbar Governor to hold a series of meetings with energy companies following the conference, and for the Baghdad Governor to meet with American University officials to explore mutual interest in establishing an AU campus in Baghdad (a memorandum of understanding was signed).

Intergovernmental Dialogue

13. (U) NEA/I/PRT and the Office of Provincial Affairs (OPA) planned two additional days of events following the two-day Investment Conference, specifically designed for provincial officials. Continuing the focus on private investment, these Intergovernmental Dialogue events introduced the provincial officials to government and non-governmental U.S. officials at local, state and federal levels involved in economic and business development. The Iraqi Governors and PIC Chairmen heard from Smithsonian Museum directors, Maryland State officials, the National

Governors Association of lobbyists working on behalf of state governors in Washington, DC, and congressional staff on the Senate Foreign Relations Committee.

Developing the State

¶4. (U) On the first day of the Intergovernmental Dialogue, seventeen of the visiting provincial officials journeyed to Annapolis, Maryland where they met with state executive and legislative officials. Speakers highlighted Maryland's efforts to attract businesses and investment, including Kassie Lewis from Maryland's Department of Business and Economic Development (DBED) who described a process of listening to businesses and their problems and working to addresses those problems through legislation, regulatory action, financing, and incentives. The Iraqis were very interested in the State's techniques for seeking and actively recruiting businesses to locate in Maryland and they were surprised to learn the extent to which state and local officials were proactive and solicitous in visiting businesses and trying to draw them into their borders. The Iraqis seemed eager to follow up on this exchange and to gather additional information on DBED; they believe that this office could serve as a model for similar offices in provinces across Iraq, and that Lewis and other Maryland officials met throughout the day could serve as invaluable contacts.

¶5. (U) Discussion at the county level focused on zoning, business councils, business incubators, and workforce development, and how these areas relate to business development and economic climate in the area. For example, Anne Arundel County officials recently completed a 10-year Master Development Plan, and they described the prominent importance of zoning regulations to economic growth. The officials further stressed the importance of involving all aspects of the community, for example, citing business incubators as partnerships between government, private businesses, and universities that offer full infrastructure and service support facilities and low rent space for start-up companies and university spin-off enterprises until they are self-sustaining.

¶6. (U) Discussion of the intense competition for the best school systems within the state and the fact that education constitutes a major part of the overall state budget grabbed the attention of the Iraqis. They were also very interested in hearing about the various sources of revenue for the state. Hearing from actual practitioners seemed a very valuable experience to the Iraqis, with several participants echoing the feelings of a Karbala Provincial Council member who stated, "For several years, we've been inching along in Iraq with the development of our new government and the reconstruction of our country. We have had a vague understanding of what we're aiming for and what our U.S. advisors on the PRT are trying to teach us. But now we come on this visit to the U.S. and we see with our own eyes the full picture of what we're working towards, and we get to talk to people who can tell us the details of how an advanced democracy works. This is very valuable and I wish it had not taken so long to happen."

Affecting the National Government

¶7. (U) The last day of the Intergovernmental Dialogue introduced the provincial officials to the National Governors Association (NGA). Leaders of this bipartisan organization had an informative discussion with the Iraqi Governors and other representatives, centering on the mandate, funding and mission of the NGA. The Iraqis commented specifically on how the meeting gave them new ideas for organizing amongst provinces. While a Governors Commission nominally exists in Iraq, it has yet to become very active. The Governors of Baghdad, Basrah, Muthanna, and Najaf agreed afterwards to

meet on a monthly basis to discuss joint initiatives and means of lobbying the national government in Baghdad.

Follow-Up to the Conference

18. (U) Baghdad, Wasit, and Ninewa are currently planning post-conference follow-up events, which PRTs in those provinces will help facilitate. NEA/I/PRT will follow-up with the individuals who met with the Iraqis during the Intergovernmental Dialogue event in an effort to further their involvement and transmittal of valuable knowledge to the Governors and PIC Chairs. OPA, with assistance from Basrah PRT, will obtain and distribute copies of the Basrah delegation's marketing and informational materials for use by other provinces and PRTs as models to emulate. The Iraqis were interested in obtaining examples of Maryland's marketing and investment promotion products, as well. NEA/I/PRT and OPA will distribute these through the PRTs once obtained. NEA/I/PRT stands ready to assist provincial officials, through the PRTs, by following up with any business or other contact in the U.S.

19. (U) COMMENT: The Iraqis were shocked to hear from some of their compatriots who have recently emigrated to the U.S. how far behind the Iraqi education system is compared to American counterparts, especially at the grade school level. The connection between school quality and attractiveness of a city or region for investment was also clearly understood by them and many declared their intention to return to Iraq with a focus to tackle improvements to the Iraqi education system. The officials made several key contacts with potential investors and valuable U.S. counterparts in Maryland and Washington. Our follow-up will help provincial officials capitalize on the contacts they made in the U.S., along with improving their skills at marketing their provinces. END
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